Tech Mahindra Q1’24 revenue up 3.5% YoY

Technology

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Tech Mahindra announced the audited consolidated financial results for its quarter ended June 30th, 2023

Mumbai – July 26, 2023: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business re-engineering services today announced the audited consolidated financial results for its quarter ended June 30, 2023.

Financial highlights for the quarter (USD)

- Revenue at USD 1,601 million; down 4.0% QoQ, down 1.9% YoY
- Revenue reduced by 4.2% QoQ in constant currency terms
- EBITDA at USD 163 million; down 33.7% QoQ, down 31.8% YoY; Margin at 10.2%, down 460bps QoQ
- Profit after tax (PAT) at USD 84 million; down 38.0% QoQ, down 41.1% YoY
- Free cash flow at USD 106 million, conversion to PAT at 12

Financial highlights for the quarter (₹)

- Revenue at INR 13,159 crore; down 4.1% QoQ, up 3.5% YoY
- EBITDA at INR 1,338 crore; down 33.8% QoQ, down 28.8% YoY
- Consolidated PAT at INR 693 crore; down 38.0% QoQ, down 38.8% YoY
- Earnings per share (EPS) was at INR 7.82

Other Highlights

- Total headcount at 1,48,297 down 4,103 QoQ
- Cash and Cash Equivalent at INR 7,701 crore as of June 30, 2023

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said,

"Our results this quarter reflect the uncertainty in the global economy and the IT sector. We are confident that we have the right strategy and the right team to overcome this temporary setback and deliver long-term value for our customers and shareholders."

Rohit Anand, Chief Financial Officer, Tech Mahindra, said,

"This quarter was a challenging one for us as revenue growth faced strong headwinds and that had an impact on profitability. We have taken swift and decisive actions to address these issues and improve our execution."

Key Wins

- Tech Mahindra was selected as a strategic partner by a large telecommunications operator in America to assist in the Cloud migration of ML platform; implement predictive analysis program to personalise Sales and Market Retention recommendations for the client by leveraging big data analytics and microservices development.
- Tech Mahindra was chosen by one of the largest tyre manufacturers in the world for its end-to-end enterprise process transformation. Tech Mahindra will be revamping core processes from Lead to Cash to Foreign Trade in what will be one of the largest strategic transformations in Europe.
- Tech Mahindra won a multiyear strategic deal from a leading Networking OEM in America for managing their public cloud operations, including various workloads for its fast-growing AI-based SaaS offerings, and for its upcoming Data & Cloud-based offerings of its Engineering and IT units.
- Tech Mahindra was selected by a large retail player in the US for Service desk management leveraging AI and bot first transformative technology with built-in quality automation.
- Tech Mahindra was selected as a strategic partner by one of the leading technology companies in the world to augment AI capability by managing machine rewrites and content validation.

Business Highlights

- Tech Mahindra has announced an integration with Microsoft to enable Generative AI-powered Enterprise Search. The new offering, Generative AI-Powered Enterprise Knowledge Search under Tech Mahindra's TechM amplifAI0->∞ integrates Microsoft Azure OpenAI Service, Azure

Cognitive Search, and Azure Language understanding to increase effectiveness and personalisation enabling capabilities like content summarisation, knowledge graph-led knowledge structuring, and a new kind of query interface.

- Tech Mahindra and Espressive, partner to provide automated and cost-effective digital workplace assistance. The partnership will enhance the overall employee experience of their customers by automating requests in real-time through an AI-based virtual support agent, Espressive Barista. The platform's advanced Natural Language Processing (NLP), Natural Language Understanding (NLU), and machine learning capabilities will ensure responses are highly personalised to reassure employees that their requests have been fully understood and resolved in real-time.
- Global Chess League, a joint venture between FIDE and Tech Mahindra, will be the world's largest and first-ever league-style chess tournament. The inaugural edition which took place in Dubai from 21st June to 2nd July'23, featured six teams with six players each including a minimum of two female players and one Icon player per team. World Champions like Viswanathan Anand, Magnus Carlsen, Ding Liren and Hou Yifen were part of the tournament.
- Tech Mahindra and IndoSat launched a Center of Excellence (CoE) lab powered by Google Cloud in Jakarta to accelerate Indonesia's digital transformation. This will harness advanced next-gen capabilities like 5G, Edge computing, Data analytics, Internet of Things, Augmented Reality and Virtual Reality. Lab seeks to provide intelligent analytics to CSPs through hyper-personalised offerings throughout customer journey.
- Tech Mahindra and Mahindra Lifespace Developers, partnered to drive innovation in PropTech platform. The platform will provide first-of-its-kind photo realistic and fully immersive 3d-experiences to home buyers

by generating images of a complete home environment, in near real manner using Epic Games Unreal Engine 5.

- Tech Mahindra unveiled Generative AI studio under its amplifAI0->∞ suite of AI offerings. The studio will be a one-stop-central providing customers with both structured and customised aspects of AI, bringing all six aspects of content generation – code, document/text, image, video, audio, and data - under one roof. The studio is also scalable, making it suitable for businesses of all sizes.
- Tech Mahindra and EarthID, an award-winning decentralised Identity management platform, announced a strategic partnership to create a blueprint for Self-Sovereign Identity (SSI) powered Metaverse platform that will provide users control over their data through privacy & consent. SSI-powered Metaverse will empower enterprises to mitigate security concerns related to stolen identities and sensitive data, which may lead to huge legal and financial losses.

Awards and Recognitions

- Tech Mahindra was ranked #1 amongst the top 25 IT companies and ranked #2 in the list of top 50 most sustainable companies in the country at the Business World Sustainability Conclave 2023.
- Tech Mahindra has been recognised as a Leader in Enterprise Service Management - Services & Solutions, Quadrant in ISG Provider Lens™ “Enterprise Service Management – Services and Solutions” 2023 report for the U.S. geography.
- Tech Mahindra has been identified as a Top Performing Business Partner - Managed Service Provider for the year 2022 at the 'IBM Partner Connect & Awards 2023'.

- Tech Mahindra was honored with the Best Application Support & Program Delivery Award 2023 by the Environment Agency of Emirates of Abu Dhabi
- Tech Mahindra was positioned as the #3 Strongest Brand in the IT Services Industry for 2023 in the Brand Finance India 100 report.
- Tech Mahindra was recognised as a Leader in the 2022 Gartner Magic Quadrant for IT Services for communications service providers for the fourth consecutive year.
- Tech Mahindra was recognised as one of “Iconic Innovator 2023”by The Economic Times. The recognition highlights Tech Mahindra’s innovation process and the key factors that contributed to success, including leadership, culture, collaboration, and risk-taking capabilities.
- Tech Mahindra was recognised as a 2023 Intel Partner Award winner for Breakthrough Innovation - SI/CSP- Cloud BlazeTech
- Tech Mahindra was recognised as Champions at the People First HR Excellence Awards for Best POSH Strategy (Safe Place to Work) and for 'Leading Practices' in Diversity & Inclusion Initiatives.
- Tech Mahindra has been awarded the 'Best Core Banking Solutions Provider' in the MEA Finance Banking Technology Summit and Awards 2023
- Tech Mahindra was recognised for working towards 'Social Inclusion of PwD by BW People & Ask Insights Disability Positive Award' under the 'Social Inclusion for PwD' category.

About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates, and society to Rise for a more equal world,

future readiness, and value creation. It is a USD 6.5+ billion organisation with 148,000+ professionals across 90 countries helping 1250+ global customers, including Fortune 500 companies. It is focused on leveraging next-generation technologies including 5G, Metaverse, Blockchain, Quantum Computing, Cybersecurity, Artificial Intelligence, and more, to enable end-to-end digital transformation for global customers. It is the only Indian company in the world to receive the HRH The Prince of Wales' Terra Carta Seal for its commitment to creating a sustainable future. It is the fastest growing brand globally in 'brand value rank' and among the top 7 IT brands globally in brand strength with AA+ rating. With its NXT.NOWTM framework, Tech Mahindra aims to enhance 'Human Centric Experience' for its ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. It aims at delivering tomorrow's experiences today and believes that the 'Future is Now'.

Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology, and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality, and real estate. The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them

to Rise.

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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited ("the Company" or "TechM") are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause Company's actual results differ materially from such forward-looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available with the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Consolidated financial for the first quarter ended June 30, 2023 drawn

P&L in INR Mn	Q1FY24	Q4FY23	Q1FY23
Revenue	**131,590**	**137,182**	**127,079**
Cost of Services	97,805	97,484	91,162
Gross Profit	**33,785**	**39,698**	**35,918**
SG&A	20,405	19,493	17,116
EBITDA	**13,380**	**20,205**	**18,801**
Other Income	1,917	3,055	1,221

Interest Expense	1,197	934	403
Depreciation & Amortization	4,466	4,902	4,767
Impairment of Goodwill and non current assets	-	2,126	-
Share of profit / (loss) from associate	78	(50)	3
Profit before Tax	**9,712**	**15,248**	**14,855**
Provision for taxes	2,676	3,999	3,380
Minority Interest	111	73	159
Profit after Tax	**6,925**	**11,176**	**11.316**
EPS (₹/ share)			
Basic	**7.8**	**12.7**	**12.8**
Diluted	**7.8**	**12.6**	**12.8**

Tags :

Mahindra & Mahindra Ltd | Mahindra Group | Tech Mahindra | Cloud Migration | CP Gurnani | Rohit Anand | Microsoft Azure | OpenAI Service | Azure Cognitive

Search | Natural Language Processing (NLP) | Natural Language Understanding (NLU) | Global Chess League